County of Los Angeles
CHIEF EXECUTIVE OFFICE

WILLIAM T FUJIOKA
Chief Executive Officer

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

July 21, 2009

12   JULY 21, 2009

SACHI A. HAMAI
EXECUTIVE OFFICER

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

PROPOSED AMENDMENT TO THE TAX ALLOCATION AGREEMENT
FOR THE BALDWIN PARK CENTRAL BUSINESS DISTRICT
REDEVELOPMENT PROJECT
(SUPERVISORIAL DISTRICT 1)
(3 VOTES)

SUBJECT

The Community Development Commission of the City of Baldwin Park (the "Commission") seeks permission from the County to refinance its Central Business District 1990 Bond, and continue to receive County deferral, as necessary, based on the current debt schedule. To permit that, the October 13, 1982 Agreement for Reimbursement of Tax Allocation Funds (Redevelopment Plan for the Baldwin Park Central Business District Redevelopment Project) (the "Agreement") must be amended.

JOINT RECOMMENDATION WITH THE FIRE CHIEF THAT YOUR BOARD:

Approve and execute the Amendment No. 1 to the Agreement permitting the Commission to refinance the Central Business District 1990 Bond while continuing to receive County deferral based on the current 1990 Bond debt schedule.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On February 3, 1982, the City adopted the Baldwin Park Central Business District Redevelopment Project, and it issued bonds to finance the project in 1990. In order to take advantage of low interest rates, the Commission would like to refinance the 1990 bonds. The bond refinance at lower interest rates would reduce the annual debt payment. The 1982 Agreement included a provision whereby the County agreed to defer timely receipt of its tax increment reimbursement payments to the extent that the Commission needed to meet annual debt service obligation for property tax allocation bonds. The Commission would like the County to continue to make the deferral based on the 1990 debt schedule.

FISCAL IMPACT/FINANCING

Prior to the adoption of AB 1290 in 1993, counties could negotiate pass-through payment amounts with redevelopment agencies. The October 13, 1982 Agreement between the County and the Commission includes full-pass through to the County taxing entities of 49.6 percent, and the County taxing entities do not contribute to the low and moderate income housing fund. For Fiscal Year 2007-08, the County taxing entities received $919,823 in pass-through payments from the Project, and deferred approximately $68,000 to the Commission. This Office estimates the County deferral will no longer be needed in approximately twelve years, and the Commission will begin repayment of the deferral balance at that time. With the expiration of the 1990 debt payments in 2019, the Commission will have adequate tax increment available to fully repay the County deferral well in advance of the time limit of the project in 2035.

The Commission proposes that the County continue to defer based on the amounts of the 1990 Bond schedule. While the Commission will benefit from slightly lower bond payments, there will be no negative fiscal impact on the County, as the County's deferral commitment will not change.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Among other things, Section 2 of the Agreement states that the County agrees to defer timely receipt of its tax increment reimbursement if the agency requires the use of the tax increments to meet its annual debt service obligation for property tax allocation bonds used to finance the redevelopment project. That provision must be changed in order to allow the Commission to refinance and yet continue to defer payments to the

same extent as it had under the 1990 bond issuance. Consequently, the attached amendment will add provisions to the Agreement permitting the refinancing while allowing the deferral to continue as it had under the 1990 bond issuance. County Counsel has reviewed the amendment and approved as to its form.
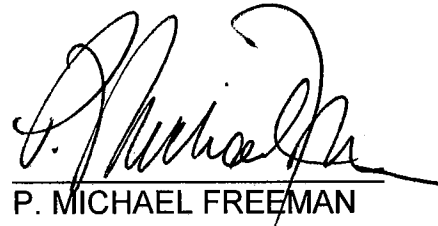
CONCLUSION

At such time as the recommendation is approved by your Board, please return one copy of this letter and amendment to the Chief Executive Office, Office of Community and Municipal Services, and one copy of the letter and amendment to the Auditor-Controller, Tax Division.

Respectfully submitted,

WILLIAM T FUJIOKA
Chief Executive Officer

P. MICHAEL FREEMAN
Fire Chief

WTF:PMF
LS:DSP:RTM:os

Attachment

c: Executive Officer, Board of Supervisors
    Acting County Counsel
    Auditor-Controller
    Vijay Singhal, Chief Executive Officer, City of Baldwin Park

AMENDMENT NO. 1 TO
AGREEMENT FOR REIMBURSEMENT OF
TAX INCREMENT FUNDS
(Redevelopment Plan for the Baldwin Park Central Business District Redevelopment Project)

This Amendment No. 1 ("Amendment") to the October 13, 1982 Agreement for Reimbursement of Tax Increment Funds (**Redevelopment Plan for the Baldwin Park Central Business District Redevelopment Project**), Los Angeles County Contract Number 42823, is entered into as of July 21, 2009, by and between the City of Baldwin Park (the "City"), the Community Development Commission of the City of Baldwin Park (the "Commission"), the Consolidated Fire Protection District (the "District") and the County of Los Angeles (the "County").

RECITALS

WHEREAS, the Baldwin Park Central Business District Redevelopment Plan (the "Project") was adopted by the City Council of the City of Baldwin Park on February 3, 1982 by Ordinance No. 832;

WHEREAS, the Baldwin Park Redevelopment Agency (the "Agency"), the City, the County, and the District entered into the "Agreement For Reimbursement of Tax Increment Funds (Redevelopment Plan for the Baldwin Park Central Business District Redevelopment Project)", dated October 13, 1982, (the "Agreement") which allocated the tax increment resulting from the adoption of the Project among the parties;

WHEREAS, pursuant to California Health and Safety Code Sections 34100 et seq., City declared the need for the Commission and, pursuant to paragraph (c) of section 34130 the Commission is vested with all the powers, duties and responsibilities of the Agency and is the successor-in-interest to the rights and obligations of the Agency pursuant to the Agreement;

WHEREAS, in 1990 the Commission issued property tax allocation bonds (the "1990 Bonds") to finance the Project;

WHEREAS, the Commission, in order to take advantage of low interest rates, intends to refinance its 1990 Bonds;

WHEREAS, Section 2 of the Agreement includes a provision whereby the County agrees to defer timely receipt of tax increment reimbursement from the Agency if the Agency requires use of the tax increments to meet its annual debt service obligation for property tax allocation bonds;

WHEREAS, the Commission wishes the County deferral to continue based upon its obligations under the 1990 Bonds rather than its obligations after refinancing;

WHEREAS, the Commission will benefit from slightly lower bond payments and there will be no negative fiscal impact on the County; and

WHEREAS, the Commission and the County now desire to amend the Agreement regarding the affect refinancing of the Agency/Commission bonded indebtedness will have on the deferral and payment of tax increment revenue received by the Commission pursuant to the Agreement;

NOW, THEREFORE, the parties amend the Agreement as follows:

1.   The Agreement shall be amended to add paragraph 7, which shall read, in its entirety, as follows:

7.   The parties agree that, subsequent to entering into this Agreement, the City created a community development commission, pursuant to Part 1.7 of Division 24 of the California Health and Safety Code, (hereafter "Commission") and that pursuant to paragraph (c) of section 34130 of said Code, the Commission is vested with all the powers, duties and responsibilities of the Agency and is the successor-in-interest to all the rights and obligations of the Agency under the terms of this Agreement.

2.   The Agreement shall be amended to add paragraph 8, which shall read, in its entirety, as follows:

8.   Notwithstanding any other provisions of the Agreement:

a.   the parties agree Commission (i) shall be permitted to refinance its bonded indebtedness (the "Bonded Debt") to reduce its annual bonded debt service requirement, including payments for principal and interest, on the Bonded Debt, (ii) will create an annual savings in the tax increment expenditures for that debt service ("Savings") and (iii) shall retain the Savings in the annual debt service created by the refinanced Bonded Debt.

b.   the County agrees to continue, annually but only to the extent needed, to defer receipt of reimbursement of tax increment revenue in an amount equal to the Commission's annual debt service, including principal and interest, of the 1990 Bonded Debt, as set forth in the debt service schedule attached hereto as Exhibit A, after subtracting the Commission's 34.7% share of tax increment revenue the Commission would have used to pay a portion of that annual debt service.

c.   Exhibit A, a true and correct copy of which is attached hereto, is incorporated by reference as a part of the Agreement.

3.   Except as modified by this Amendment, all other provisions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have entered into this Amendment to the Agreement as of the date first above written.

July 21 , 2009

COUNTY

COUNTY OF LOS ANGELES

By: _____
Chair, Board of Supervisors

ATTEST:

SACHI A. HAMAI
Executive Officer of
the Board of Supervisors

By: _____
Deputy   JUL 2 1 2009

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

ROBERT E. KALUNIAN
Acting County Counsel

By: _____
Deputy

July 21 , 2009

FIRE PROTECTION DISTRICT

CONSOLIDATED FIRE PROTECTION DISTRICT

By: _____
Chair, Board of Supervisors

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#12   JUL 2 1 2009

SACHI A. HAMAI
EXECUTIVE OFFICER

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42823 SUPPLEMENT 4

ATTEST:

SACHI A. HAMAI
Executive Officer of
the Board of Supervisors

By: _____

Deputy **JUL 2 1 2009**

_____, 2009

COMMISSION

**COMMUNITY DEVELOPMENT COMMISSION
OF THE CITY OF BALDWIN PARK**

By: _____

Its: _____EXECUTIVE DIRECTOR_____

JUNE 25, , 2009

CITY

CITY OF BALDWIN PARK

By: _____

Its: _____CHIEF EXECUTIVE OFFICER_____

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#12   **JUL 2 1 2009**

Hamai
HAMAI
OFFICER

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42823 SUPPLEMENT____

BALDWIN PARK - Central Business District Redevelopment Project

Actuals/Current Estimates

Fiscal Year	Total Increment	Negotiated County Share	Negotiated Fire Share	Negotiated Agency Share*	County Deferrals	Deferral Repayment	cumulative deferral	Actual Agency Share*	Cumulative Agency Share	1990 Agency Debt	L&M Setaside	Net Agency Share	Actual County Share	Actual Fire Share
		49.6%	15.7%	34.7%							20.0%			
1983-84	117,279	0	0	117,279	0	0		117,279	117,279		23,456	93,823	0	0
1984-85	114,415	0	14,725	99,690	0	0		99,690	216,969		22,883	76,807	0	14,725
1985-86	173,144	0	22,628	150,517	0	0		150,517	367,486		34,629	115,888	0	22,628
1986-87	296,408	0	39,884	256,524	0	0		256,524	624,010		59,282	197,242	0	39,884
1987-88	465,530	0	63,055	402,475	0	0		402,475	1,026,485		93,106	309,369	0	63,055
1988-89	490,767	225,323	71,322	194,122	0	0	0	194,122	1,220,607		98,153	95,969	225,323	71,322
1989-90	524,900	238,175	75,390	211,335	0	0	0	211,335	1,431,942		104,980	106,355	238,175	75,390
1990-91	759,123	337,287	106,762	315,074	232,158	0	232,158	547,232	1,979,173	491,839	151,825	(96,432)	105,129	106,762
1991-92	919,121	415,219	131,430	372,471	185,524	0	417,682	557,995	2,537,168	454,005	183,824	(79,834)	229,696	131,430
1992-93	1,016,815	456,336	144,445	416,034	37,971	0	455,652	454,005	2,991,173	454,005	203,363	(203,363)	418,365	144,445
1993-94	903,204	400,276	126,700	376,228	0	0	455,652	376,228	3,367,401	454,005	180,641	(258,418)	400,276	126,700
1994-95	906,565	415,878	131,639	359,049	94,956	0	550,609	454,005	3,821,406	454,005	181,313	(181,313)	320,921	131,639
1995-96	776,155	377,409	119,462	114,190	174,722	0	725,331	288,912	4,110,318	454,005	155,231	(320,324)	202,687	119,462
1996-97	820,621	400,868	126,888	292,866	165,965	0	891,296	458,831	4,569,149	458,831	164,124	(164,124)	234,903	126,888
1997-98	927,147	452,335	143,178	331,634	155,790	0	1,047,086	487,424	5,056,573	487,424	185,429	(185,429)	296,544	143,178
1998-99	788,432	387,153	122,546	278,733	215,848	0	1,262,934	494,581	5,551,154	494,581	157,686	(157,686)	171,305	122,546
1999-00	815,688	400,808	126,869	288,012	206,569	0	1,469,503	494,581	6,045,735	500,979	163,138	(169,536)	194,238	126,869
2000-01	800,374	393,359	124,511	282,504	228,910	0	1,698,413	511,413	6,557,148	511,413	160,075	(160,075)	164,450	124,511
2001-02	854,721	420,876	133,221	300,624	215,256	0	1,913,688	515,880	7,073,028	515,880	170,944	(170,944)	205,620	133,221
2002-03	959,052	472,368	149,520	337,165	187,217	0	2,100,886	524,382	7,597,410	524,382	191,810	(191,811)	285,151	149,520
2003-04	1,115,314	549,755	174,015	378,437	140,147	0	2,241,032	518,584	8,115,994	531,690	223,063	(236,169)	409,609	174,015
2004-05	1,126,875	555,749	175,912	376,604	142,574	0	2,383,606	519,178	8,635,172	537,788	225,375	(243,985)	413,175	175,912
2005-06	1,205,546	594,866	188,294	382,360	125,033	0	2,508,639	507,393	9,142,565	547,419	241,109	(281,135)	469,833	188,294
2006-07	1,324,455	653,899	206,980	384,788	91,630	0	2,600,469	476,618	9,619,183	555,406	264,891	(343,679)	562,069	206,980
2007-08	1,414,102	698,671	221,152	494,280	67,564	0	2,668,033	561,844	10,180,964	561,844	282,820	(282,820)	631,107	221,152
subtotal	**19,615,755**	**8,846,610**	**2,940,529**	**7,512,994**	**2,668,033**		**2,668,033**	**10,180,964**	**10,180,964**	**8,989,501**	**3,923,151**	**(2,731,625)**	**6,178,577**	**2,940,529**
								51.9%					31.5%	
growth: 2.50%														
2008-09	1,449,455	718,929	227,564	502,961	68,577	0	2,736,611	571,538	10,752,502	571,538	289,891	(289,891)	650,352	227,564
2009-10	1,485,691	736,903	233,253	515,535	63,759	0	2,800,370	579,294	11,331,796	579,294	297,138	(297,138)	673,143	233,253
2010-11	1,522,833	755,325	239,085	528,423	56,690	0	2,857,060	585,113	11,916,909	585,113	304,567	(304,567)	698,636	239,085
2011-12	1,560,904	774,208	245,062	541,634	52,166	0	2,909,226	593,800	12,510,709	593,800	312,181	(312,181)	722,042	245,062
2012-13	1,599,927	793,564	251,188	555,175	49,794	0	2,959,020	604,969	13,115,678	604,969	319,985	(319,985)	743,769	251,188
2013-14	1,639,925	813,403	257,468	569,054	44,371	0	3,003,392	613,425	13,729,103	613,425	327,985	(327,985)	769,032	257,468
2014-15	1,680,923	833,738	263,905	583,280	40,695	0	3,044,086	623,975	14,353,078	623,975	336,185	(336,185)	793,043	263,905
2015-16	1,722,946	854,581	270,503	597,862	33,563	0	3,077,649	631,425	14,984,503	631,425	344,589	(344,589)	821,018	270,503
2016-17	1,766,020	875,946	277,265	612,809	27,772	0	3,105,421	640,581	15,625,084	640,581	353,204	(353,204)	848,174	277,265
2017-18	1,810,170	897,844	284,197	628,129	22,927	0	3,128,348	651,056	16,276,140	651,056	362,034	(362,034)	874,917	284,197
2018-19	1,855,424	920,290	291,302	643,832	13,824	0	3,142,172	657,656	16,933,796	657,656	371,085	(371,085)	906,467	291,302
2019-20	1,901,810	943,298	298,584	659,928	10,066	0	3,152,238	669,994	17,603,790	669,994	380,362	(380,362)	933,232	298,584
2020-21	1,949,355	966,880	306,049	676,426	0	286,555	2,865,683	389,871	17,993,661		389,871	0	1,253,435	306,049
2021-22	1,998,089	991,052	313,700	693,337	0	283,719	2,571,964	399,618	18,393,279		399,618	0	1,284,771	313,700
2022-23	2,048,041	1,015,829	321,542	710,670	0	301,062	2,270,902	409,608	18,802,887		409,608	0	1,316,891	321,542
2023-24	2,099,242	1,041,224	329,581	728,437	0	308,589	1,962,313	419,848	19,222,736		419,848	0	1,349,813	329,581
2024-25	2,151,723	1,067,255	337,821	746,648	0	316,303	1,646,010	430,345	19,653,080		430,345	0	1,383,558	337,821
2025-26	2,205,517	1,093,936	346,266	765,314	0	324,211	1,321,799	441,103	20,094,184		441,103	0	1,418,147	346,266
2026-27	2,260,654	1,121,285	354,923	784,447	0	332,316	989,482	452,131	20,546,314		452,131	0	1,453,601	354,923
2027-28	2,317,171	1,149,317	363,796	804,058	0	340,624	648,858	463,434	21,009,749		463,434	0	1,489,941	363,796
2028-29	2,375,100	1,178,050	372,891	824,160	0	349,140	299,719	475,020	21,484,769		475,020	0	1,527,189	372,891
2029-30	2,434,478	1,207,501	382,213	844,764	0	299,719	0	545,045	22,029,814		486,896	58,150	1,507,219	382,213
2030-31	2,495,339	1,237,688	391,768	865,883	0	0	0	865,883	22,895,697		499,068	366,815	1,237,688	391,768
2031-32	2,557,723	1,268,631	401,563	887,530	0	0	0	887,530	23,783,226		511,545	375,985	1,268,631	401,563
2032-33	2,621,666	1,300,346	411,602	909,718	0	0	0	909,718	24,692,945		524,333	385,385	1,300,346	411,602
2033-34	2,687,208	1,332,855	421,892	932,461	0	0	0	932,461	25,625,406		537,442	395,020	1,332,855	421,892
2034-35	2,754,388	1,366,176	432,439	955,773	0	0	0	955,773	26,581,178		550,878	404,895	1,366,176	432,439
2035-36	2,823,248	1,400,331	443,250	979,667	0	0	0	979,667	27,560,845		564,650	415,017	1,400,331	443,250
TOTAL	**77,390,724**	**37,502,995**	**12,011,200**	**27,560,908**	**3,152,238**	**3,152,238**		**27,560,845**		**16,412,327**	**15,478,145**	**(4,329,563)**	**37,502,995**	**12,011,200**
								35.6%					48.5%	15.5%

Notes:
* SB2557 Co. admin. and SB 211 pass through payments not included.
* Agency share net of ERAF payments
* Project cap = $25 million Agency share
* Existing debt schedule will be used to calculate future deferrals.